

BGI LifePath 2040 Portfolio® - Class I Shares

This LifePath 2040 Portfolio - Class I Shares ("the Fund") is managed for investors planning to retire (or begin to withdraw substantial portions of their investment) approximately in the year 2040.

This LifePath Portfolio allocates its assets among broad types of asset classes by investing in a combination of stock, bond and money market funds seeking to produce competitive returns consistent with the portfolio's investment objective. LifePath 2040 Portfolio follows an investment strategy that gradually becomes more conservative as the year in the portfolio's name approaches.

One of the most important decisions investors make is choosing an appropriate mix of stocks, bonds and money market investments. The LifePath 2040 Portfolio is designed to provide a simple way of making this decision. Since this LifePath Portfolio is well-diversified and professionally managed, it works well by itself as a comprehensive asset allocation strategy. It can also serve as the core of a portfolio in tandem with other funds to reflect a more conservative or aggressive investment need.

Investment Performance as of June 30, 2004

	QUARTER	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE FUND INCEPTION
LifePath Portfolio 2040 - Class I	0.30%	18.04%	0.09%	-1.59%	10.14%	9.39%
Russell 3000 Index	1.33%	20.46%	0.15%	-1.07%	11.66%	N/A
Lehman Aggregate Index	-2.44%	0.32%	6.36%	6.95%	7.30%	N/A
MSCI EAFE Index	0.22%	32.37%	3.94%	0.13%	4.09%	N/A
T-Bills Index	0.24%	-2.44%	1.33%	0.22%	4.17%	N/A

The performance quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling toll-free 1-877-BGI-1544 (1-877-244-1544).

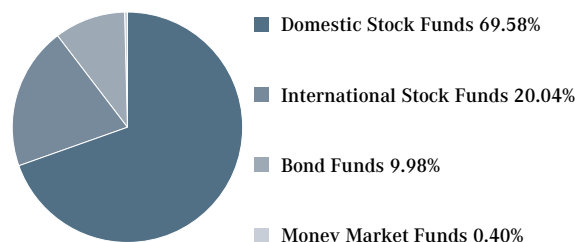
Index returns are for illustrative purposes only and do not represent the performance of any portfolio. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index.

To determine if the fund(s) are an appropriate investment for you, carefully consider the funds' investment objectives, risk factors and charges and expenses before investing. This and other information can be found in the funds' prospectuses, which may be obtained by calling 1-877-BGI-1544 (1-877-244-1544) Read the prospectus carefully before investing.

Fund performance reflects the deduction of management fees and other expenses and assumes reinvestment of dividends and capital gains at net asset value. Returns shown for less than one year are cumulative.

Ticker Symbol	STLEX
Inception Date	3/1/94
Expense Ratio	0.85%

Investment Allocation



Holdings

1	Active Stock Master Portfolio	61.86%
2	iShares MSCI EAFE Index Fund	20.04%
3	CoreAlpha Bond Master Portfolio	9.98%
4	iShares S&P Midcap 400 Index Fund	3.98%
5	iShares Russell 2000 Index Fund	3.74%
6	Barclays Institutional Money Market Fund Class I	0.40%

Holdings are subject to change.

Please call 1(877) BGI-1544 for more information on the BGI Funds

BGI LifePath 2040 Portfolio® - Class I Shares

LifePath Portfolio 2040 - Class I

Details

CUSIP	66922832
Net Assets	177.12 MLN
P/E	20.44
P/B	3.72
Beta	1.00
# of Holdings	6
Median Mkt Cap	1.04
Avg Mkt Cap	5.20

Can I invest all my savings in this LifePath portfolio?

Yes. This LifePath Portfolio is designed to offer investors a comprehensive asset allocation strategy tailored to the time when they expect to begin withdrawing assets. LifePath 2040 Portfolio invests in a combination of stock, bond and money market funds in proportions suggested by its own comprehensive investment strategy.

Can I redeem my shares of the LifePath at any time or do I have to stay in until it expires?

Yes, you can redeem your LifePath Portfolio shares at any time. This portfolio does not expire. The number of this portfolio represents a "target year" for when you might expect to begin withdrawing your money.

What happens when I retire? Do I get a lump sum payout?

No. LifePath 2040 Portfolio is managed using an investment strategy that gradually becomes more conservative as the year in the portfolio's name approaches, when investors are planning to retire or begin to withdraw substantial portions of their investment for other reasons.

What if I really need to begin withdrawing money before or after 2040?

If your target year does not exactly correspond to the year in this LifePath Portfolio's name, choose one of the other LifePath Portfolios that is closer to your target year.

The Barclays Global Investors Funds are distributed by SEI Investments Distribution Co. (SEI). Barclays Global Investor Services (BGIS) provides marketing assistance to the distributor of the Fund. Barclays Global Fund Advisors (BGFA) serves as investment advisor to the Master Portfolios, in which each LifePath Portfolio invests all of its assets and to the underlying funds in which the Master Portfolios invest. Barclays Global Investors Services (BGIS) assists in the marketing of the LifePath Portfolios. BGFA and BGIS are subsidiaries of Barclays Global Investors, N.A., which is affiliated with Barclays Bank PLC, none of which is affiliated with SEI.

Risk controls and asset allocation models do not promise any level of performance or guarantee against loss of principal.

LifePath® is a registered trademark of Barclays Global Investors, N.A.

MSCI Indexes are servicemarks of Morgan Stanley Capital International. The Russell 3000® Index is a trademark of the Frank Russell Company. Lehman Aggregate Brothers Bond Index is a trademark of Lehman Brothers. The funds are not sponsored, endorsed, sold, or promoted by the Index Providers and the Index Providers make no representation or warranty, express or implied, regarding the advisability of investing in the funds.

The Barclays Global Investors Funds are organized as "feeder" funds in a "master-feeder" structure. Instead of investing directly in the individual securities in the portfolio, the feeder fund, which is offered to investors, holds interest in the net assets of the Master Portfolio, which has substantially similar investment objectives, strategies and policies as the feeder fund. It is the Master Portfolio that actually invests in the individual securities.

©2004 Barclays Global Investors. All rights reserved. All trademarks, servicemarks or registered trademarks are the property of their respective owners.

1138-LP-0704

BGF-FS-044-06004